

ASSEMBLY BILL

No. 1578

Introduced by Committee on Governmental Organization (Price (Chair), Cook, Coto, Evans, Galgiani, Hall, Hill, Jeffries, Lieu, Mendoza, Portantino, Silva, Torres, Torrico, and Tran)

March 23, 2009

An act to amend Section 19617.2 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1578, as introduced, Committee on Governmental Organization. Horse racing: thoroughbred racing: California-bred bonus program.

Existing law requires any association conducting a race meeting that includes thoroughbred racing to deposit certain sums with the official registering agency for thoroughbred horses, and requires that official registering agency to distribute a portion of those sums annually to the California-bred race fund for the promotion of California-bred races and for purses for California Cup Day and other California-bred races, and to the owner fund for owner premiums, as provided.

This bill would permit the official registering agency to also distribute a certain portion of those sums annually to the California-bred bonus program, which would be required to be administered by the official registering agency, for payment of bonuses to California-bred horses in maiden allowance races in California.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 19617.2 of the Business and Professions Code is amended to read:

19617.2. (a) Except as otherwise provided in this chapter, any association conducting a race meeting that includes thoroughbred racing shall deposit with the official registering agency 0.54 percent of the total amount handled ontrack in daily conventional and exotic parimutuel pools resulting from thoroughbred wagers made in this state. These deposits shall be made at the following intervals:

(1) For any meeting of 20 racing days or less, the requisite deposit shall be made not later than seven days immediately following the last day of that meeting.

(2) For any meeting of more than 20 racing days, the initial deposit shall be made not later than 27 racing days after the commencement of that meeting and every 20 racing days thereafter, with a final deposit made not later than seven days following the last day of that meeting. The initial deposit for that meeting shall be based upon the applicable amount handled during the first 20 racing days of the meeting, and deposits thereafter shall be based upon the applicable amount handled during the ensuing periods of 20 racing days with the last deposit being based upon the applicable amount handled from the end of the last 20-racing-day period for which a deposit has been made to the end of the meeting.

(b) After deducting a sum equal to 5 percent of the total deposits made pursuant to subdivision (a) and the total deposits made pursuant to Section 19602, the amount to compensate the official registering agency for its administrative cost and for expenses it incurs for educational, promotional, and research programs, the official registering agency shall for computational purposes distribute annually the balance of the deposits in the following manner:

(1) To the California-bred race fund, 10 percent to be used for the promotion of California-bred races and from which purses are to be provided or supplemented for California Cup Day, other California-bred races, and, upon the approval of the official registering agency, races featuring California-breds. This fund shall be administered by the official registering agency. Any funds not used for those purposes during any year, up to 1 percent of the total breeder, stallion, and owner award receipts, shall remain in

1 the California-bred race fund to be distributed for the purposes of
2 this paragraph the following year. Any funds remaining thereafter
3 shall be redistributed to augment the funds referred to in
4 subdivision (c), and shall be allocated to the breeder fund and to
5 the stallion fund as provided in that subdivision. It is the intent of
6 the Legislature that all funds used for purses shall supplement and
7 not supplant existing purses for California-breds.

8 (2) To the owner fund for the purpose of owner premiums
9 pursuant to Section 19614.4.

10 (3) *To the California-bred bonus program, 15 percent of the*
11 *amount remaining to be used for the payment of bonuses to*
12 *California-bred horses in maiden allowance races in California.*
13 *This bonus program shall be administered by the official*
14 *registering agency.*

15 (c) The funds remaining after the distributions made pursuant
16 to subdivision (b) shall be distributed as follows:

17 (1) To the breeder fund 75 percent, from which breeder awards
18 are to be paid.

19 (2) To the stallion fund 25 percent, from which stallion awards
20 are to be paid.

21 (d) The official registering agency shall make the following
22 payments to the owner, breeder, and stallion owner so as to
23 encourage agriculture and the breeding of higher quality horses in
24 this state:

25 (1) The owner shall be paid an owner premium pursuant to
26 Section 19614.4.

27 (2) The breeder shall be paid a breeder award equal to the
28 quotient for the breeder fund multiplied by the eligible earnings
29 of the horse bred by the breeder.

30 (3) The stallion owner shall be paid a stallion award equal to
31 the quotient for the stallion fund multiplied by the eligible earnings
32 of the stallion owner's eligible thoroughbred sire.

33 (4) Owner premiums for California-bred horses shall be listed
34 in the racing program alongside the advertised purse, and shall be
35 distributed to the owner pursuant to Section 19614.4 at the same
36 time as the purse.

- 1 (5) The breeder and stallion awards shall be paid not later than
- 2 March 31 of the calendar year immediately following the calendar
- 3 year for which the awards or premiums were earned.